

# FORT HANCOCK ISD

## PROCEDURES: PURCHASING

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Goal: To ensure a systematic process to review and approve the purchase of goods and services in compliance with federal grants requirements, state law, Board Policy and local procedures.

### **Purchase Order/Fund Request Approval Authority:**

- ❑ The Superintendent approve all purchases that are less than \$50,000.
- ❑ The Board of Trustees retains the authority to approve all contracts for the purchase of goods or services for any single purchase that exceeds \$50,000.

### **On-Line Purchasing System:**

- ❑ The district shall use a Purchase Order for all purchases, except for non-purchase order purchases such as petty cash.
- ❑ The Finance Officer shall create all requisition system users and assign the appropriate account code(s).
- ❑ The Business Manager shall create all of the requisition approval paths in accordance with the district's Purchasing Flow Chart (refer to Exhibits).

### **Purchase Requisitions:**

- ❑ Requisitions are internal documents and should not be forwarded to a vendor to place an order.
- ❑ All requisitions from grant funds (state/federal) shall comply with the **TEA Guidelines for Related Costs** and the **State & Federal Grants Handbook**.
- ❑ The requestor (and/or the campus secretary/bookkeeper) shall "submit" a Purchase Order/Fund Request using the Forms.
  - If the vendor that the requestor intends to purchase from does not exist in the vendor database, the requestor shall follow the **Adding and/or Renewing Vendors Procedures**.
  - If the account code(s) that the requestor intends to purchase with do not have sufficient funds, the requestors shall follow the **Budget Change/Amendment Procedures**.
  - The requestor shall attach to the Purchase Order/Fund Request any order forms, registration forms, or other special instructions.
  - If the requisition is for travel, follow the **Travel Procedures**.
  - If the requisition is for a field trip, Co-Curricular, or Extra-Curricular trip, follow the **Student Travel Procedures**.
  - If the requisition is for the purchase of food and non-food items, follow the **Food and Non-Food Purchase Procedures**.
- ❑ The requestor's supervisor (campus principal or department head) should be notified that the requisition(s) are pending approval.
- ❑ The campus principal or department head shall review and approve all requisitions.
- ❑ The review shall include the following:
  - Requestor name
  - Shipping address

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- Vendor name and number
- Reason - Verify that the reason matches the purchase and is properly spelled out
- Reference – Name of person that goods should be delivered to
- Attachment - If box is checked, the requisition should not be released until the attachment is received and reviewed
- Bid Number – Bid, quote, or Co-Op contract number, as appropriate. NOTE. If the requisition is for goods or services that were competitively procured, a copy of all bid/proposals shall be on file in the purchasing department.
- Catalog number
- Description – Detailed description of item or service (exceptions may include: Web Order, Order List attached, Contract/Scope of Services attached, etc.
- Unit of measure
- Unit price – If equipment with a unit cost equal to or over \$500, the object code must be 664X; if equipment with a unit cost equal to or over \$5,000, the object code must be 663X.
- Account code(s) – the account code(s) must match the purchase and location/department
- If any deficiencies are noted with a requisition, the Finance Officer shall contact the requestor to resolve the discrepancies.
  - If the discrepancies cannot be remedied, the Business Manager shall “return” the requisition to the requestor.
- The Business Manager shall “approve” all requisitions that meet the required review.
- The Superintendent has Final Approval.

### **Purchase Orders:**

- Purchase Orders are similar to a “promissory note” in the sense that it conveys to the vendor that if they provide the goods or services, the district promises to promptly pay for the goods or services.
- The Business Manager shall serve as the approver of all Purchase Orders/Fund Request and Superintendent is the final approver. Upon approval by the Superintendent, the Purchase Order/Fund Request is assigned a number.
- The Finance Officer shall distribute the purchase orders as noted below:
  - 1 District copies –1 for Accounts Payable files
  - 1 Vendor copy – Distribute to the vendor via fax or email
- The Finance Director shall file a district copy of all purchase orders in a file pending receipt of the invoice, packing list, and receiving confirmation.

### **Petty Cash:**

- The campus administrators and the Business Office are authorized to have a petty cash account.
  - Petty cash accounts are provided for convenience when making small cash purchases and/or minor emergencies arise unexpectedly.
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- ❑ Each transaction shall be supported with an original, detailed receipt and a Petty Cash Voucher.
- ❑ The Principal shall be responsible to ensure that funds exist in the account(s) which will be utilized to pay for the petty cash expenditures.
  - Sales tax shall not be reimbursed with petty cash funds.
- ❑ The Business Office shall review all Petty Cash Reimbursement Forms prior to releasing the requisition for review by the Business Manager.
- ❑ At all times, the petty cash account shall be balanced. The sum of the disbursed cash, purchase receipts and/or cash shall equal the authorized amount.
- ❑ The review shall include the following:
  - Original, detailed receipt – the reimbursed amount must not include sales tax
  - Account code(s) for each transaction – the account code(s) must be appropriate for the purchase
  - Approval from the campus principal or department head
- ❑ If any deficiencies are noted with a Petty Cash Reimbursement Form, the Finance Officer shall contact the requestor to resolve the discrepancies.
- ❑ The Business Manager shall approve all Petty Cash Reimbursement Form that meet the required review and Finance Officer will process for payment.